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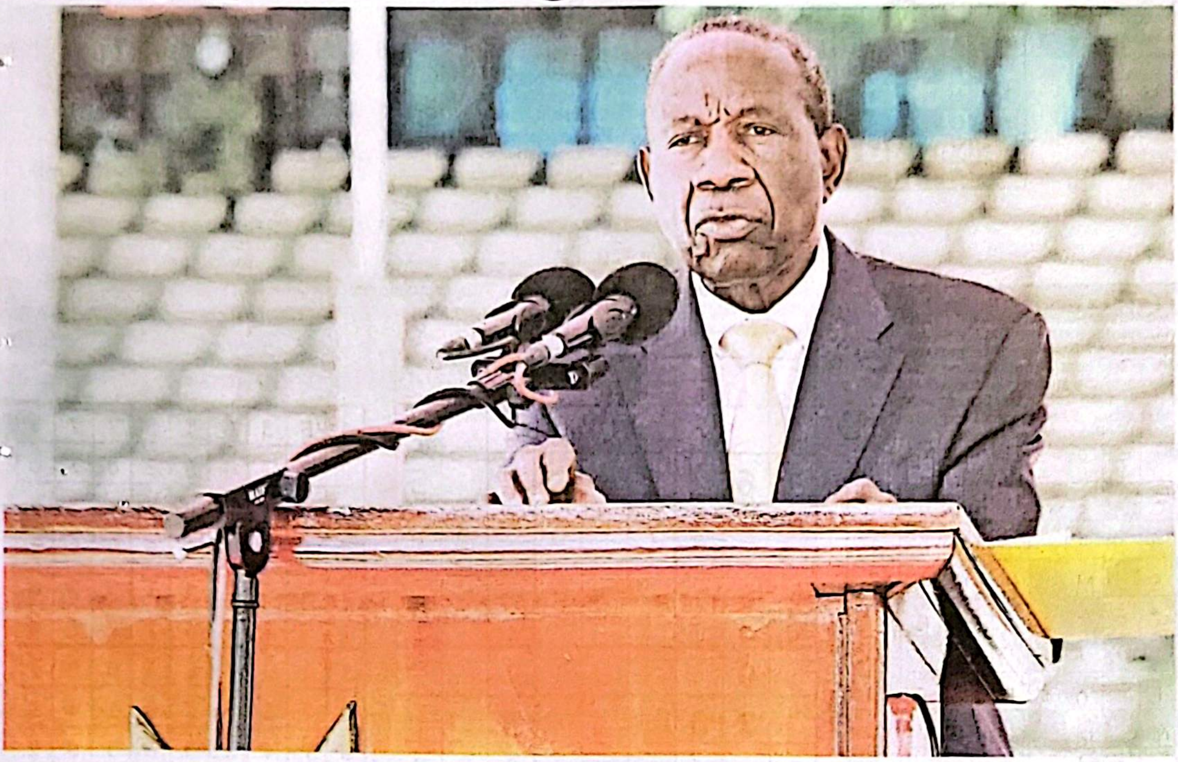
Agro-industrialisation budget rises to Shs2.2 trillion: Government has increased the budget for the agro-industrialisation sector by Shs342 billion in the 2026/27 financial year to Shs2.2 trillion. The funds will go towards agricultural research, inputs, irrigation, agro-processing and market access.

The Public Finance puzzle: Why planning reforms fail



Finance Minister Matia Kasaija addresses delegates last year during the Budget speech. Uganda's macroeconomic stability depends on disciplined financial management practices across all government institutions. PHOTO / MICHAEL KAKUMIRIZI

Challenges

- Delayed payments often affect cash flows, investment decisions, and business sustainability.

- A recent World Bank assessment of Uganda's Public Investment Management system concluded that Uganda possesses several good-practice features within its public finance management systems. However, major weaknesses persist in project preparation and execution.

Finance.

MARTIN LUTHER OKETCH

Uganda's ambitious shift to programme-based national planning under the Third National Development Plan (NDP III) was meant to transform the way the government spends public money, delivers services, and measures results. Instead of ministries operating in silos, the country envisioned integrated programmes working together toward common national goals.

But after the expiry of the years in the period into NDP III implementation, a persistent mismatch between the traditional sector-based Public Financial Management (PFM) framework and the programme-based National Development Plan approach continues to undermine efficiency, accountability, and service delivery.

At the heart of the challenge lies a difficult reality: while Uganda has made major progress in digitising financial systems and improving oversight, implementation capacity remains weak, coordination fragmented, and corruption still drains public resources.

Bold shift in national planning

The NDP III marked a significant departure from Uganda's previous planning model. The framework replaced fragmented sectoral planning with integrated, multi-sectoral programmes designed to improve coordination and strengthen public expenditure management.

Government also introduced modernised digital financial systems such as the Integrated Financial Management System (IFMS), Programme-Based Budgeting System (PBS), and Integrated Bank of Projects (IBP), all aimed at improving real-time tracking of public finances and projects.

According to Dr Wnnie Nabiddo, senior manager for research and development performance at the National Planning Authority (NPA), the reforms have yielded gains in budget transparency, accountability, and reporting.

"The Public Financial Management framework has enhanced budget transparency and control by enabling more efficient, accurate, and real-time tracking of government finances and projects," she noted.

The Office of the Auditor General (OAG) also expanded its audit functions during the NDP III period, strengthening accountability through value-for-money audits and the now influential Certificate of Budget Compliance.

The certificate has become an important benchmark linking government expenditure to actual development results.

Capacity problem

Despite the reforms, Uganda's transition to programme-based planning remains incomplete. Dr Nabiddo says many Ministries, Departments, Agencies (MDAs), and local governments still lack the technical and institutional capacity required to operationalise programme-based planning effectively.

In some institutions, she says fragmented planning practices still dominate. Planning remains aspirational rather than strategic, with weak prioritisation and poor sequencing of projects.

While digital systems are in place, which have improved reporting and expenditure tracking, implementation on the ground often tells a different story. Projects still face delays, cost overruns, and weak execution.

"Closing implementation gaps requires streamlined processes, effective coordination, timely project execution, and enhanced capacity at all levels of government," Dr Nabiddo said.

Monitoring without action

Uganda has also strengthened monitoring and evaluation (M&E) systems during NDP III, introducing performance reporting frameworks and performance contracts for accounting officers. At the end of NDP Three, 30 percent of accounting officers' performance assessments are tied to the implementation of NDP commitments.

Performance reporting has improved accountability, but experts say the findings are rarely used in decision-making.

"There is limited follow-up and uptake of monitoring and evaluation findings," Dr Nabiddo observed. "M&E generates valuable insights, but follow-up and use remain inconsistent across MDAs and local governments."

Weak implementation of recommendations has limited the impact of these systems on planning and budgeting.

The government has operationalised the Integrated NDP Monitoring and Evaluation System in some institutions, but full integration with key systems such as IFMS, PBS, Human Capital Management Systems, and other management information systems remains incomplete.

Many agencies still rely on standalone systems, manual reporting processes, and irregular reviews.

Data gaps undermining planning

Reliable statistics are essential for evidence-based planning, yet Uganda still struggles with fragmented and outdated data systems.

Although national statistics production has improved through surveys, censuses, and administrative data systems, gaps remain significant.

Data is often released outside the planning cycle, limiting its usefulness for budgeting and policy formulation.

Administrative systems across MDAs and local governments remain largely manual, fragmented, and unstandardised.

National evaluations also remain weakly institutionalised. According to experts, many evaluations are ad hoc, underfunded, and insufficiently integrated into the planning and budgeting cycle.

Oversight institutions have, nonetheless, become more assertive during the NDP III period.

The Office of the Auditor General expanded audit coverage across central government entities, statutory bodies, local governments, and development projects.

Meanwhile, Parliament has taken a more active role in scrutinising budgets, expenditure reports, and audit findings, contributing to stronger accountability debates.

Government has also made efforts to mainstream cross-cutting priorities such as climate change, disability inclusion, gender equality, youth empowerment, refugee management, science and innovation, health, nutrition, and implementation of the Sustainable Development Goals (SDGs), Agenda 2063, and East African Community Vision 2050. But integrating these issues consistently across all levels of government remains a challenge.

Corruption takes centre stage

As Uganda prepares for the Fourth National Development Plan (NDP IV), corruption has emerged as a central concern.

Dr Nabiddo revealed that during the recent Kyankwanzi retreat with Members of Parliament, President Yoweri Kaguta Museveni directed that corruption be incorporated as a key consideration within NDP IV and the country's tenfold growth strategy.